

## **Testimony before the Senate Special Committee on Aging**

**June 16, 1997**

**Mr. Paul Francione**

Mr. Chairman and members of the Committee, my name is Paul Francione. I want to thank you for the opportunity to come before you today to talk about my quest to establish eligibility for retirement benefits from my former employer, Pan Am.

I started at Pan Am in August of 1960 in the Detroit Sales Office. My job was in telephone sales, which consisted of answering telephones for fares, reservations, routings. When I began working for Pan Am, I became a member of a union -- the Brotherhood of Railway Clerks. After a few years, I, along with others, was instrumental in electing the Teamsters Union (Teamsters) to represent us. I also served for a time as the shop steward of Local #299.

In May of 1970, I was diagnosed with rheumatoid arthritis. In May of 1974, due to rheumatoid arthritis, I was given Total Medical Disability by Pan Am and had to leave my job. My health condition also resulted in my move from Detroit to Tucson in 1976.

Around that time I made an early inquiry to Pan Am to find out what I would have to do in the future with regard to my pension. I contacted the employee benefits division for Pan Am in Chicago, to ask whether I was entitled to any retirement benefits under the union pension plan. The Chicago office responded that I would in fact be eligible for a pension based on my years of employment.

I didn't realize at that time the significance of the letter's reference to a provision in the Teamsters contract noting that I was allowed to accrue seniority for another 36 months beyond July 17, 1974, the day I started collecting Total Medical Disability. Pan Am's response also instructed me to write to their Pension Administration Manager in Chicago if I had further questions. In 1983, Pan Am's Director of Affirmative Action and Employee Services, H.W. Petrin, wrote to me and informed me of the three extra years of service.

In January of 1992 Pan Am filed for bankruptcy and then in December of that year they officially shut down. I attempted to contact Pan Am regarding my pension benefits a number of times, but was unable to get a response from anyone in the company. As a former union member, I also tried to utilize my ties to the Teamsters. I contacted my former local office to ask for their assistance, but once again, received no response. I was 62 years old at the time, and my main source of income was Social Security Disability. I needed to be thinking about my future but I didn't know where to turn, who else to call or where else to write.

Then, I read in the Arizona Senior World in May of 1994 on the pension counseling service offered by the Pima Council on Aging. With no where else to turn, I contacted Marty Scheinkman at the Pima Council on Aging. Mr. Scheinkman told me about the Pension Benefits Guarantee Corporation (PBGC). With Mr. Scheinkman's help, I wrote to the PBGC in June of 1994. The PBGC wrote back to me and said that their preliminary review indicated that I was not eligible for any pension benefits.

We contacted the PBGC again, and pointed out the provision concerning the three years I had accrued after I started my Long Term Disability Leave of Absence. The PBGC wrote back stating that according

to their review unless I was able to provide more information regarding my eligibility, I was not eligible for a benefit.

For a third time I wrote back to the PBGC and enclosed copies of the letters I had received from Pan Am regarding my additional years of service and a copy of Appendix F, the Memorandum of Understanding regarding company pension programs. Finally, in January 1995-- seven months after I first wrote to the PBGC, I received a response saying that I was eligible for a benefit. I now receive an additional benefit of \$309 monthly.

I am grateful that I persevered and the grant to the Pima Council on Aging came just at the right time. Mr. Scheinkman was a great help to me by assisting in drafting the letters to the PBGC and making telephone contacts. At no time was I contacted by Pan Am or the PBGC until after my request in June, 1994. This program worked for me and should be continued to help others. Once again, thank you for this opportunity to share my story with you.